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SOURCE Molodoy Bol'shevik, No 7, 1950.THE NATIONAL INCOME OF THE USSR

By A. Vikent'ev

National income is the value of the total social product minus the cost of the means of production used. To calculate national income for a certain year, it is necessary to deduct from the value of the social product of that year the cost of the used mean of production: raw material, fuel, materials and the annual depreciation of machinery, buildings etc.

The national income of the USSR consists of three parts: consumption, accumulation, and state reserves. The relationship between these parts is determined by the Soviet state according to the economic and political goals of a certain period, and can be changed from period to period.

By far the largest part of the national income of the USSR, approximately three fourths of the total amount, goes into consumption. This includes wages of workers and employees, and income of the kolkhoz members, as well as pensions, scholarships, and grants.

Consumption comprises the following main divisions: (1) purchases in state and cooperative trade networks, (2) purchases in the kolkhoz market, (3) consumption in kind by kolkhoz members of products raised on their own plots; also consumption by workers and employees of products of their own garden plots, (4) consumption in sanatoriums, rest homes, nurseries, and kindergartens.

The largest volume of consumption goods is realized in retail trade. According to the Five-Year Plan, retail trade in 1950 will increase 28 percent over the prewar level (in comparable prices).

The second component of the USSR national income is accumulation. It is utilized for the expansion of existing enterprises and also for the construction of new plants, factories, railroads, etc. It is composed of fixed capital accumulation and working capital accumulation. Fixed capital accumulation constitutes the main part of socialist accumulation.

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The third component of national income is the state reserve. Its purpose is to assure stability in the planned development of the national economy. State reserves are necessary for preventing disproportions in the economy in cases of emergencies caused by natural causes, crop failures, and military needs. Included in state reserves are raw materials, fuels, finished instruments of production, consumers' goods etc. In the USSR approximately one fourth of the national income goes to accumulations, including reserves.

The Law of the Five-Year Plan provides for a national income in 1950 of 177 billion rubles (in 1926/27 prices), which is a 38-percent increase over 1940. This important goal of the postwar Five-Year Plan is being successfully fulfilled. As early as 1948 the national income of the USSR surpassed the 1940 level by 16 percent, while in 1949 it rose 36 percent over 1940.

Along with the growth of the USSR national income grew also the wages of workers and employees, the income of the kolkhoz peasantry, retail trade, and state budget expenditures for social and cultural measures.

The number of workers and employees employed in the national economy increased by 8 million during the period 1946 - 1949. In 1949 there were 15 percent more workers and employees than before the war.

The total wage bill for workers and employees in 1948 was almost double that of 1940. The income of kolkhozes has also increased, and the real income of the Soviet people in 1949 considerably exceeded the prewar level. According to information of the Central Statistical Administration of the USSR, income per person for workers and employees increased by 12 percent in 1949 compared to 1948, and 24 percent compared to 1940. Income per agricultural worker in 1949 was 14 percent higher than in 1948, and more than 30 percent higher than in 1940.

Reduced prices and increased incomes raised the demand of the population for food and industrial products. The government has met this increased demand by increasing retail trade. In 1949, the amount of goods bought by the population was 20 percent more than in 1948 (in comparable prices), a gain which was made up of a 17-percent rise in the purchase of food products and a 25-percent increase in sales of industrial products. All this, of course, considerably increased that part of the national income going into consumption.

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